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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 002683

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TAGS: [PREL](#) [KWBG](#) [IS](#)

SUBJECT: MORATORIUM: GOI ADDRESSING EXCEPTIONS, RELIEF
MEASURES

REF: TEL AVIV 2590

Classified By: DCM Luis G. Moreno for reasons 1.4 b/d

¶1. (U) Summary/Comment: Nearly two weeks into settlement construction moratorium enforcement, the GOI is addressing the difficult issues of exceptions and compensation, while facing increased opposition from the settler movement. The MOD has established an exceptions committee to consider petitions for public and commercial construction that do not violate the freeze order, and the Knesset's Finance committee has begun talks on potential relief packages for those losing money because they are unable to build for the next 10 months. Settler opposition has planned a series of protests in Jerusalem and continue to slow inspectors' attempts to tour sites and issue work stoppage orders. PM Netanyahu maintains that the moratorium will not be rescinded, but in attempts to defuse some of the opposition, has vowed not to renew it past the 10 month period and to rectify mistakes made in the framework and initial implementation of the freeze order. In addition, the MOD has announced that it will not evacuate any illegal outposts during the implementation of the order, due to manpower constraints. (Comment: Netanyahu's intention not to extend the moratorium and the MOD's decision to yield on outpost evacuations makes it increasingly imperative that the MOD rapidly expand its capacity to enforce the freeze, or risk diminishing its political and practical impact. End Summary/Comment.)

GOI Establishes Exceptions Committee, Mulls Compensation

¶2. (U) On 2 December, MOD Barak established an Exceptions Committee, as outlined in the official order delivered by the Civil Administration, that will allow settlers to seek permission to construct additions or make repairs to their housing units, as well as to build public or commercial buildings. The committee will meet daily and will accept public petitions several times a week. On 8 December, Amir Heller, assistant to the Director General of the Ministry of Construction and Housing, told Econoff that the MOCH already began forwarding all such petitions to the MOD for consideration by the committee. (Note: A translated copy of the GOI's official order can be viewed on the Embassy's classified website at <http://www.state.sgov.gov/p/nea/telaviv/> under the link "Reporting Attachments." End note.)

¶3. (U) The GOI is also beginning to discuss compensation for private citizens financially harmed by the moratorium. According to Israeli media, the moratorium affects approximately 18,000 housing units, but it is unclear how many of these properties had begun construction but had not

laid a cement foundation before the order's cut-off date. The Knesset's Finance Committee met on 7 December to discuss the matter, though the Ministry of Finance and the Prime Minister's Office, which are still preparing their proposals, failed to send representatives. Reports suggest the PMO's proposal may include, inter alia, education grants and the reduction of municipal taxes. By all accounts, the MOF and the Knesset will need at minimum several months to approve a special budget for compensations, which eventually could total in the hundreds of millions of shekels range.

PM Vows No Order Renewal, Considering Easings

14. (U) PM Netanyahu emphatically pledged at the start of the weekly Cabinet meeting on 7 December that the moratorium will not be renewed and that construction will resume upon completion of the 10-month period. In addition, Netanyahu admitted to settler leaders that mistakes occurred in the framework and initial implementation of the moratorium, telling them that the GOI will fix such errors and is willing to consider relief measures that do not violate the government's freeze order. According to Israeli press, one such "easing" being considered by the GOI would allow local mayors in the settlements to issue permits to enclose porches and build storage sheds, instead of forcing settlers to go through the exceptions committee. The GOI hopes these measures will quell increasing opposition from settler groups, and prevent moderate "economic" settlers from joining the ranks with the vocal and active "ideological" settlers.

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Moratorium at the Expense of Outpost Removal

15. (U) Less than a week after the start of the moratorium, the State Attorney, acting on behalf of the MOD, notified the Israeli High Court that the IDF would suspend the demolition of illegal structures in West Bank settlements and outposts because it could not both meet those requirements and enforce the moratorium with existing resources. Oded Herman of the MOD's Political-Military Bureau, confirmed this to Econoff on 7 December, explaining that the priority to implement the moratorium trumped the IDF's responsibilities to demolish illegal settler houses and evacuate outposts. On 9 December, settlers established a new outpost called "Etz HaRimon" in the Binyamin area of the West Bank in protest to the moratorium, according to settler news organization, Arutz 7.

NGOs: "What Freeze?"

16. (U) On 9 December, Hagit Ofran from Peace Now told Econoff that despite the freeze on new construction, more building per capita will still occur in West Bank settlements than in green line Israel during the 10 months that the moratorium is in effect. According to a Peace Now press release, approximately 3,500 housing units are eligible for construction during the freeze, meaning that 1,167 units will be built per 100,000 Israeli residents in the West Bank. This contrasts with green line Israel, where 836 units per 100,000 citizens are currently being built. Israeli press report on 8 December, suggests that the foresight of settlers, who expedited the issuance of municipal building permits and construction starts during the months preceding the moratorium, is responsible for the significant discrepancy. According to one settler leader quoted in the Yediot Ahronoth report, "we enlisted every last architect and surveyor in Judea and Samaria...we worked at that pace down to the last day."

¶7. (C) Comment: PM Netanyahu's pledge that the moratorium would not be extended past 10 months and the IDF's admission that it will yield on outpost evacuations makes it even more imperative that the MOD rapidly expand its capacity to enforce the moratorium. If the MOD requires several months or longer to fully implement enforcement, as suggested by MOD contacts (reftel), the political and practical impact of the moratorium will be significantly diminished. Ideological settlers are likely to be emboldened by the lack of IDF attention to outposts, and may accelerate establishment of small "protest outposts."

CUNNINGHAM